

INSTRUCTOR GUIDE

FDIC



Financial
Education Curriculum



U.S. Small Business Administration



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DISCLAIMER

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Getting Started

These ideas will help you plan and present engaging and productive sessions:

- **Effective use of PowerPoint.** Use the slides to introduce key concepts only (they are provided to support and enhance *your* presentation, they are not *the* presentation). Avoid reading slides to the learners. Add your perspective. Learners appreciate examples and brief anecdotes that make the concepts come alive.
- **Introductions.** Introductions allow you to break the ice, create active instructor–participant dialogue, and set the tone for the class. They also provide indicators of the experience levels of your learners.
- **Diversity of learner needs.** Assume that some learners are just getting started (Group A), whereas others have already gone down the path to business ownership (Group B). Make sure to address the diverse needs of learner groups.
- **Agenda.** The agenda helps participants understand how the training will be conducted.
- **Expectations.** Discussing expectations gives participants the opportunity to tell you what they hope to learn from the training.
- **Objectives.** Establishing objectives helps participants place the information to be learned in the proper context and ensures that the content is consistent with their expectations.
- **Participant Guide format and contents.** The Participant Guide keeps participants on track with the presentation. Several worksheets help them apply key concepts to their own specific contexts.
- **Pre-and Post-Tests.** The Pre-Test provides a baseline measurement for evaluating the impact of this class. The Post-Test gauges how well participants learned the content. Both the pre- and the post-test are on one form at the end of the Participant Guide.
- **Discussion points.** Discussion points help participants reinforce learning.
- **Parking lot flipchart/ chart paper.** This option is helpful if participants ask questions that you do not have time to answer. Instead of answering right away, agree to answer at a later time. “Park” the questions on a flipchart or chart paper, and make arrangements to follow up with the participant(s) after the class.
- **Breaks.** No formal breaks are recommended. Encourage participants to take rest room breaks if they need them.



Training Overview

Icons Guide



- * Refer participants to the *Participant Guide* to locate information, descriptions, or relevant worksheets.



- * Engage the group in a conversation about the topic.



- * Assess participant comprehension or previous experience with the topic by asking them to complete a quick pre- and post-test.



- * Ask “high gain” questions to check comprehension, or present a problem, such as “What would you do if this were your business?”

Purpose

Planning for a Healthy Business is a highly interactive learning experience that encourages participants to focus on planning as an essential competency of business ownership. No matter where learners are in the development of their businesses, this 90-minute class encourages them to ask and answer key questions that help ensure they create and manage healthy businesses that are successful on a long-term basis.

This Instructor Guide is the key document for this class. Please read it thoroughly. We provide plenty of white space for you to add notes and examples from your own experience. Please also review the related PowerPoint slides and Participant Guide in detail. These documents contain information or visuals you will reference during the class.

Preparing for Class

Each participant will require a Participant Guide (ideally printed two-sided). Participants do not need copies of the slides. Before printing the Participant Guides, consider adding local information to the *For More Information* section. In the space provided, list local resources that offer technical assistance or financing options to small businesses.

Objectives

After completing this class, the participants will be able to:

- Explain how an evolving planning process can help them make key decisions as business owners.
- Describe how to convert a vague idea into a resource plan.
- Explain the importance of a healthy personal credit score and healthy relationships with lenders.
- Describe how a business plan helps motivate stakeholders to understand and support their business ideas.
- Explain the benefits of creating a day-to-day action plan for running a small business.

Presentation Time

To ensure sure high engagement levels with your learners, allow at least 90 minutes to deliver this class. Use the suggested times to personalize the class based on the needs of your participants and the given time. Allow extra time for discussion and questions when teaching larger groups.

Materials and Equipment

You will need the following materials and equipment to present this class:

- Instructor Guide (for your use only).
- Participant Guide – ideally printed two-sided – for each participant. As noted above, you may add local resources to the *For More Information* section.
- PowerPoint slides (for your use only).
- Audiovisual equipment (for example: computer, Microsoft Office PowerPoint, overhead projector, and microphone, if appropriate).
- Optional: flipchart easel, chart paper, markers.

Discussion Points

1. There is more than one way to plan. The planning process is just as important for *you* as it is for your stakeholders.
2. The types of plans you need will change as your business goes from an idea to a fully realized company. In the case study, Sophia adapts her planning strategies as her business grows and she needs to fine-tune her priorities.
3. Make the time to write a comprehensive business plan. Do your homework. The more data and details you can provide, the more your stakeholders will be able to “see” your plans come to life.
4. The planning process is a great way to convince yourself that your ideas are attainable and realistic. When you find flaws in your reasoning, this is a good thing. You can prevent a lot of problems later on.
5. Find ways to engage your stakeholders (such as bank officers or investors) in your planning process. This allows them to act as sounding boards for you as you plan.
6. After you win a loan, keep planning. Creating an action plan is a healthy use of your time. It is a living document. Updating your plan helps you to sustain a successful, healthy business over the long term.

The Class at a Glance

This 90-minute experience includes several group discussions designed to actively engage the learners. Pay careful attention to timing and pacing.

Time (in minutes)	Activity	Instructor Comments/Notes
10	Welcome, Pre-Test, Agenda, and Learning Objectives	In the back of the Participant Guide; participants complete the BEFORE Training column
20	<ul style="list-style-type: none"> Introducing Sophia Introductions: Where are you in your planning? 	
5	Overview of the 4-Step Planning Model	
10	Step 1: The Back-of-the-Napkin Plan	
20	Step 2: The Resource Plan	
10	Step 3: The Business Plan <ul style="list-style-type: none"> Sources of Financial Support 	
5	Step 4: The Action Plan <ul style="list-style-type: none"> SMART Goals 	
10	Summary, Post-Test, and Evaluation	In the back of the Participant Guide; participants complete the AFTER Training column
Total: 90		

Optional Ideas

- * Consider inviting a panel of small business owners to provide stories about how they planned for success.
 - o Note: Time management can be a challenge. Most panelists need at least 15 minutes to share stories and respond to questions. If you invite panelists, you may need to adjust the schedule or consider offering an informal “meet and greet” after class.
- * Another option: schedule a follow up session about two weeks after this class. The participants can return to share ideas with each other and advisors about how to improve or develop their plans.

Instructor Notes and Presentation Guidelines

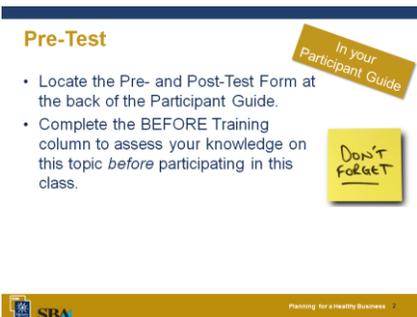
Instructor Notes

10 minutes

Slide 1



Slide 2



Presentation Guidelines

Welcome, Pre-Test, Agenda, and Learning Objectives

Welcome to *Planning for a Healthy Business*. Taking this class is an important step to building a better financial future for you and your family.

Healthy people focus on health as a goal. They plan ahead and they make sure to plan their time and priorities. To get ready for a marathon, for example, runners register to run on a specific date. They set goals, such as “I will run 50 miles per week,” or “I will cut back on sugar and eat more vegetables.”

Business ownership is like a marathon. Planning (like eating right, exercising, and so on) is a set of activities that helps to ensure that you and your business stay healthy for the long term.

My name is _____. (*Briefly introduce yourself.*)

Pre-Test

Before we begin, please assess what you already know about this topic. Turn to the Pre- and Post-Test Form in the back of your Instructor Guides and complete the BEFORE Training column.

At the end of this class you will complete the AFTER Training column.

If you need to leave a bit early, make sure to return your completed Pre- and Post-Test and the Evaluation Forms (on the last pages of your Participant Guide) before you leave.

Facilitation Note

- * *Do not read the slides to the learners. Instead, use the slides to actively engage learners in two-way conversations. Add the occasional brief story or anecdote to illustrate key concepts.*

Instructor Notes

Presentation Guidelines

Slide 3

Agenda

- Welcome, Pre-Test, Agenda, and Learning Objectives
- Case Study: Sophia's Planning Process
- Introductions: Where are you in your planning process?
- Introduction to the 4-Step Planning Model
- Summary, Post-Test, Evaluation



Agenda

Here is the agenda for today's class. We will discuss concepts, start some self-assessments, complete some interactive activities, and respond to your questions.

Time Management

Please help us stay on schedule. We do not include a formal break. If you need to visit the rest room, please feel free to do so.

Optional: Explain Parking Lot Chart Paper

If you have questions about your own business that we do not have time to answer, I will "park" your questions on chart paper. We can make arrangements after this class to help you find some answers.

Ground Rules

One of the best ways to learn is from each other. You probably have some great ideas to offer. You may know of a process that works well for you or some pitfall to avoid. Please speak up. Also, if something is not clear, please ask questions!

Participant Materials

Each of you should have a copy of the *Planning For a Healthy Business Participant Guide*. It contains:

- Information and discussion points to help you learn the material
- Worksheets for you to start in class and finish up on your own
- A Toolkit of Resources to help continue your self-education (including a list of agencies that provide technical assistance to small businesses)

Please note that we will not have time to review the entire Participant Guide in class. We suggest that you review it in detail on your own time.



Slide 4

Learning Objectives

Facilitation Note

- * Do not read the objectives to the learners. Instead, whenever possible, briefly paraphrase the objectives.
- * Point out that you will use the Sophia case to introduce

Instructor Notes

Learning Objectives

- Explain how an evolving planning process can help you make key decisions as business owners.
- Describe how to convert a vague idea into a resource plan.
- Explain the importance of a healthy personal credit score and healthy relationships with lenders.
- Describe how a business plan helps motivate stakeholders to understand and support your business ideas.
- Explain the benefits of creating a day-to-day action plan for running a small business.



20 minutes

Slide 5

Introducing Sophia

See page 4 in your Participant Guide.

- How can Sophia make her new cell phone repair business a success?
- She will complete four planning steps over a two year period.
- As her business grows, her planning approaches will change.
- As we review Sophia's planning process, relate the four planning steps to your business.



Presentation Guidelines

concepts.

- * *Emphasize that what is most important is how these concepts apply to the unique situations of the learners.*

Introducing Sophia

We will use a realistic example to review a new business owner's planning process over a two-year period. As we review Sophia's planning steps, you may find that several of her actions relate to your own planning process.

Facilitation Note

- * *Ask one of the participants to read Sophia's story out loud from page 4 in the Participant Guide.*

From Participant Guide:

Say hello to Sophia, the mother of two smart (and hungry) teenagers. Sophia has an idea to start a business repairing cell phones and small appliances. Her sons and several friends think this is a terrific idea but Sophia has to plan. She needs to figure out how she will make money and how she will finance or pay for her start-up costs.

Sophia needs to complete four steps in her planning. At each step she asks and answers specific questions. As she progresses through the steps, the questions get more specific and the answers become much more detailed.

It took Sophia more than two years until she was able to quit her day job and begin to work full time for herself.

As we review Sophia's planning process, you can begin to apply these four steps to your own business.

Facilitation Note

- * *Thank the volunteer for the assistance.*

Instructor Notes

Presentation Guidelines

Slide 6

Where Are YOU in Your Planning?

Complete the worksheet on page 5 of your Participant Guide.

- For each planning stage, record if you have completed it, if you are working on it, or if you have not yet started.
- There are no wrong answers.
- You will introduce yourself and share your planning stage.



Introductions: Where are you in your planning?

Please complete the worksheet on page 5 of your Participant Guide. For each planning stage, record if you have already completed that stage, if you are currently working on it, or if you have not yet started.

Please note that there are no wrong answers!

In a minute, you will introduce yourself and explain where you are in the planning process. Remember: No matter where you are, that is where you need to be! Please introduce yourselves by name and planning stage.

Facilitation Note

- * *Manage time carefully. Ask each participant to give brief answers. There will be more chances to share ideas.*
- * *Acknowledge and validate participants' answers. At this point of the class, focus on encouraging active participation.*
- * *Optional: Record the name and planning stage of participants on chart paper. Refer back to this list as you facilitate the rest of the class.*

Sample Chart Paper (Optional)

Where are YOU in the planning process?

<u>Name</u>	<u>Planning Stage</u>
Felix	Just getting started
Oscar	Writing a business plan
Lenna	I have a business—I need help delegating!

Facilitation Note

- * *Thank everyone for their contributions. Encourage them to keep actively participating.*

Instructor Notes

Presentation Guidelines

Instructor Notes

Presentation Guidelines

5 minutes

Slide 7

The 4-Step Planning Model

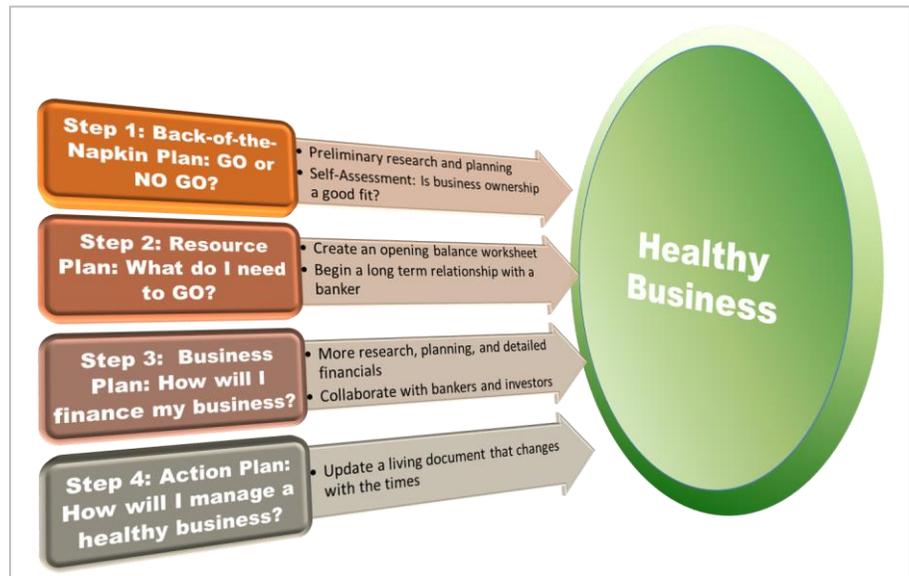
See page 6 in your Participant Guide.



Overview of the 4-Step Planning Model

Facilitation Note

* This graphic appears on page 6 of the Participant Guide.



The 4-Step Planning Model is a great way to figure out what you have accomplished and what you need to do next.

As you can see on page 6 of your Participant Guide, each step requires you to ask and answer some key questions.

As your business grows and changes, the types of planning you need to complete will also change.

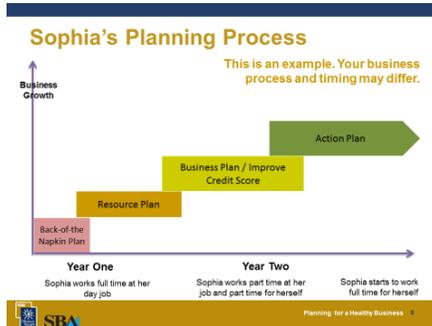
We will spend most of this class exploring these four steps. No matter where you are in your planning—that is where you need to be.

Some of you might be in the early stages while others are at the business or action plan stage. Those of you who have already done some planning can be great resources for those who are just getting started.

Instructor Notes

Presentation Guidelines

Slide 8



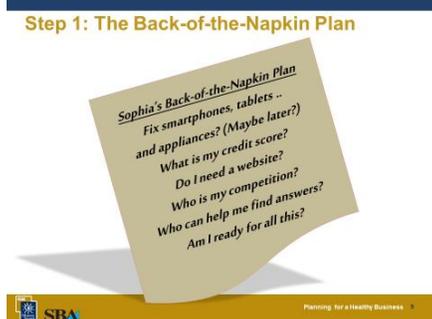
Sophia's Planning Process

Sophia needed more than two years to get to Step 4. Some steps overlap with others. For example, Sophia started action planning before her business plan was complete. She will never stop action planning because each day brings new challenges as her business grows and changes.

We will now take a quick look at these four steps or planning stages.

10 minutes

Slide 9



Step 1: The Back-of-the-Napkin Plan

Page 7 in the Participant Guide has an example of Sophia's "back-of-the-napkin" plan. When you are just getting started, it is normal that your ideas are vague and perhaps a bit disorganized. Some ideas might just be in your head and not written down at all. You might have lists on the back of envelopes, on table napkins, or on scraps of paper.

Page 7 also lists some Step 1 planning questions. Some of you might have already asked and answered these questions. You will not have time to do this now. Make time to answer these questions later as homework.

Note that the first question—"What benefits (monetary and non-monetary) do I want to get from my business?" —is the focus of another module in the Money Smart series: *Is Business Ownership a Good Fit for You?*



Slide 10

Step 1: Key Questions

- What benefits (monetary and non-monetary) do I want to get from my business?
- What size business do I need to build to achieve those benefits?
- Have I identified a real business opportunity on which I can capitalize?
- What assets do I need to purchase, rent, or lease? Who will I need to hire?

DO YOUR HOMEWORK See page 7 in your Participant Guide for some questions to answer at the beginning of the planning process.

SBA Planning for a Healthy Business

Step 1: Key Questions

As homework, take a look at the prices of your competitors to figure out what you can charge for similar products or services. Ask vendors for prices and terms.

Interview other business owners. Make sure to ask how long it took before they could pay themselves. Their answers can guide your choices and decisions. At this early stage, the more you know about the long-term challenges of business ownership, the better.

Instructor Notes

Presentation Guidelines



Clarify and Transition

Are there any questions about Step 1 before we move to Step 2?

20 minutes

Slide 11

Step 2: Sophia's Resource Plan



See pages 8-9 in your Participant Guide.

Sophia estimates start-up costs for her first six months of business will be:

• Space, equipment, and supplies	\$18,250
• Skill development	1,100
• Staff (accountant and bookkeeper)	1,200
• Other (insurance and taxes)	450
• Estimated total:	\$21,000

Note: Living expenses are not included in a resource plan.



Step 2: The Resource Plan

Update on Sophia

Facilitation Note

- * Ask one of the participants to read the update on Sophia at the top of page 8 of the Participant Guide.
- * There is no need to spend a lot of time on the case. The key information is on the slide.
- * Do not spend a lot of time debating the numbers in Sophia's resource plan. Stay focused on the function and usefulness of a resource plan.



From Participant Guide:

Good news! A few months have passed and Sophia has done some research. She refined her initial idea and has decided to specialize in repairing cellphones, iPads, and tablets. She might expand into small appliance repair (later). To get to this point, she asked some colleagues who already have businesses for advice. She went to a local Women's Business Center (WBC) and got help thinking through her business model. Sophia took a course to learn more about what she needed to do to get ready. Best of all, she began a resource plan to record how much money she would need to open her doors and to keep operating for at least six months. (At the first step of the planning process, a ball park dollar figure was okay. In Step 2, the numbers need to be more specific.) Below is Sophia's resource plan.

Facilitation Note

- * Thank the volunteer for the assistance.

Instructor Notes

Presentation Guidelines

Slide 12

Step 2: The Resource Plan, cont.

See the bottom of page 9 in your Participant Guide.

Sophia's estimated start-up costs:	\$21,000
Sophia's share (owner equity)	- 7,000
What Sophia needs to raise:	\$14,000



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PW

A resource plan is a shopping list for space, equipment, and supplies. It also lists estimated costs for skill development, staff, and other expenses necessary to open and run a business for about six months.

As you see in the Participant Guide on pages 8 and 9, Sophia estimated the resources she needed to be \$21,000. She can provide \$7,000 of owner's equity (her own money) and needs to raise \$14,000. A rule of thumb: borrow no more than 200 percent of the money you invest in your own business.

Use Sophia's sample when you complete your own resource plan on your own time. There will not be enough time to complete your own worksheets during this class.

The Resource Plan Worksheet

Please locate the Resource Plan worksheets on pages 10–11 in the Participant Guide. On your own time, try to complete these worksheets with specific numbers.

Note the four sections in the worksheets:

A. Space, Equipment, and Supplies. We provide some categories to get you started such as rental space, equipment, tools, and so on.

B. Skills. List the skills you need to run your business. Some costs are usually associated with skill development.

C. Staff/Personnel. List the people you need to hire *before* you open your doors. Do not forget to include a realistic salary and expect at least 30 percent for benefits.

D. Other. Here you list other resources you need to get started, including taxes and insurance. Perhaps you also need a delivery van or special equipment. List it here.

A Note About Living Expenses

Do not include living expenses in a resource plan. It is challenging to get loans for them. You probably need to save up ahead of time. If you are lucky, you might have a partner or family member who can support you (food, rent, health insurance and so on) while you start your business.

Facilitation Note

- * *Sample worksheets from pages 10–11 in the Participant Guide are on the following pages.*
- * *If participants ask questions about living expenses, create a Parking Lot on a piece of chart paper. Record the names of the people who ask for this information. Make a date to follow up after the class.*

Instructor Notes

Presentation Guidelines

Worksheets from Participant Guide, pages 10–11



A. Space, Equipment, and Supplies		
Assets	Estimated Cost	Details/ Comments
Space and Equipment		
Tools		
Furniture and Lighting		
Inventory		
Office Supplies		
Marketing/Sales/ Website		
Subtotal		

B. Skills		
Assets	Estimated Cost	Comments
Subtotal		



C. Staff/Personnel		
Assets	Estimated Cost	Comments
Job Title 1		
Benefits (at least 30% of his/her salary)		
Job Title 2		
Benefits (at least 30% of his/her salary)		
Subtotal		

Instructor Notes

Presentation Guidelines

D. Other		
Assets	Estimated Cost	Comments
Insurance		
Taxes		
Subtotal		

How much money you need to open your business and keep it running for at least six months:	
How much of this you will provide (owner's equity):	
How much you need to borrow (debt):	

Slide 13

Step 2: Resource Planning Ideas

Interview stakeholders, competitors, and other business owners for ideas.

- Ideal locations
- Locating discounted equipment and supplies
- Pros and cons of buying in bulk (too much inventory affects cash flow)
- Fair wages and benefits for employees
- Federal, state, local and sales taxes
- Insurance
- Pay for services (such as website design and hosting) pay more up front or pay higher monthly installments?
- Am I ready to go on to the next step?



Step 2: Resource Planning Ideas

A resource plan motivates you to do homework to pinpoint realistic numbers that can help you make key decisions.

This slides lists a starter set of questions to ask of stakeholders, advisors, and other business owners.

The more homework you complete, the better informed you can be about the risks and realities of business ownership. This is another way for you to ask yourself—am I ready to go on to the next step?



Clarify and Transition

Are there any questions before we move to Step 3?

Instructor Notes

Presentation Guidelines

10 minutes

Slide 14

Step 3: The Business Plan
 See pages 13–14 in your Participant Guide.

- Tells a story that makes your idea come alive
- Convinces others to make a stake in you
- Projects three years into future
- Clearly outlines business development plans in financial terms




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Slide 15

Step 3: Sophia's Business Plan

- Sophia and her family worked hard to raise her credit score.
- Sophia met with a banker several times to get feedback and advice.
- She took a class on business plan writing.
- Sophia shared her plan with family and friends.
- This process took time ... and it paid off! Family and friends funded her start-up costs!




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Step 3: The Business Plan and Sources of Financial Support

A business plan is a story that you share with potential lenders, such as a bank or micro-lenders, and with family and friends. A well-written plan is not just a document. It is a living idea that clarifies your ideas and motivates stakeholders to support your business.

Most business plans project three years into the future.

It can take time to write an effective business plan. The Sophia case describes what it took for her to complete one.

Please turn to page 12 in your Participant Guide to find an update on Sophia.

Facilitation Note

- * Ask one of the participants to read the update on Sophia on page 12 of the Participant Guide.

From Participant Guide:

Update on Sophia

Completing a resource plan helped Sophia to refine her ideas. For example, she discovered that she needed more money to start and operate her business than she first “guesstimated.” As part of her homework, she talked with a bank officer who encouraged Sophia to raise her credit score. To determine this, they looked at Sophia’s credit history. The officer encouraged Sophia to start writing a business plan and to be ready to prove she has collateral (usually equity in a house or condo).

Sophia needed to reduce her credit card debt. She explained the situation to her kids. They agreed to eat out less often and buy fewer clothes. The older son got a part-time job. They got a cheaper phone plan. Sophia cut back on “designer” coffee and online shopping. These changes took time and were not easy. And, they added up. Within a year, Sophia was able to pay off her credit cards and put more money into her savings. She improved her credit score.

During this time, Sophia also worked on several drafts of a business plan. To learn how to do this, she took a course at a community center. A mentor coached her on how to write some parts of the plan. When her business plan was ready, she shared it with some close friends and extended family. They were impressed with her ideas and realistic goals. Together, they pooled their money and loaned her the start-up funds she needed to open her business doors.

Instructor Notes

Presentation Guidelines



Facilitation Note

- * *Thank the volunteer for the assistance.*

Group Discussion

Facilitation Note

- * *Ask: Why write a business plan? What is in this for you and for others?*
- * *Validate all responses. Thank contributors for speaking up.*
- * *Avoid in-depth conversations about credit scores. Use chart paper to capture names of participants who want additional assistance. Follow up with them later. Also refer everyone to the other module in the Money Smart series: Credit Reporting.*



Please turn to pages 13 and 14 in your Participant Guide to find a business plan outline and description. This overview has been adapted from information provided by the Small Business Administration (SBA).

Templates and examples of completed business plans are available on the internet. They can get you started, but we encourage you to *write your own plan*. You will need to be specific about the information that is relevant to your business. Do not copy someone else’s plan.

Slide 16

Sources of Financial Support

See page 15 in your Participant Guide.

- Angel investors
- Bootstrapping
- Crowdsourcing
- Friends and family members
- Incubators
- Local and state economic development organizations
- Peer-to-peer lending
- Small business loans
- Venture capital



Sources of Financial Support

A bank loan is not the only way to finance a business. As in Sophia’s case, you may find that other sources—such as family and friends—can help you get started. Note that any investor will want to see a business plan!

Page 15 of your Participant Guide lists sources of financial support.

Facilitation Note

- * *Briefly review and explain this list of sources.*
- * *If learners have a lot of financing questions, encourage them to visit with you after the class or make an appointment with a local agency that can provide further assistance.*



Instructor Notes

Presentation Guidelines

5 minutes

Slide 17

What does it mean to be strategic?

If you want to meet up with this sailboat, which direction would you steer?

- Plan for the future
- Plan for change
- Learn from the past (including mistakes)
- Minimize risk
- An **action plan** helps you stay strategic



Step 4: The Action Plan and SMART Goals

What does it mean to be strategic?

Assume you are on a ship and you need to meet up with the sailboat in this picture. In what direction would you steer?

Facilitation Note

- * *Validate the participants' responses.*

You would need to navigate to the right of the other ship because the sailboat is traveling to the right. If you steer to its current location, you will miss the boat!

In other words, to be strategic means that you assume that everything that affects your business will *change*. Customers come and go. Vendors increase their prices. New challenges come up all the time. Expect and plan for those changes.

An action plan also helps you strategize your time. It helps you focus your energies on the top priority goals you need to handle, and identify which lower priority goals you could delegate to others.

Facilitation Note

- * *Optional Group Discussion: What are some predictable business changes you can anticipate in most businesses?*
 - *Possible answers: seasonality, losing staff, customers do not pay on time, vendors do not have products you need when you need them, you get more orders than you expected to get, cash flow issues.*
- * *Do not spend a lot of time on this discussion. The point is to get the participants anticipating future changes and challenges, some of which would be included in an action plan.*

Update on Sophia

Facilitation Note

- * *Ask one of the participants to read the update on Sophia on page 16 of the Participant Guide.*
- * *The case study is on the next page of this guide.*



Instructor Notes

Presentation Guidelines



Page 16 in the Participant Guide:

Update on Sophia

Sophia has been in business for a while now. She has great customers, and she is able to meet her financial obligations: rent, utilities, and loan payments. Sophia is even able to pay herself a small working wage. She is doing great!

To keep up the great work, Sophia’s planning needs to change again. Now she needs to increase her customer base to maintain and grow her success. What Sophia needs now is an action plan that can help her identify SMART goals, some deadlines, and a specific plan on who is responsible for what. She also needs to plan how she will finance the resources she needs to meet her goals.

Some of the tasks need to be managed by Sophia. These are the tasks that make the best use of her time. Other tasks are best outsourced to others, such as her assistant. By prioritizing her tasks, Sophia can focus on what is most important in her business and free up time to achieve some work and life balance.

Facilitation Note

- * *Thank the volunteer for the assistance.*

Slide 18

Step 4: Sophia’s Action Plan

See page 16 in your Participant Guide. These goals are SMART.

SMART Goals	Tasks	Success Criteria	Time Frame	Resources
Achieve an average monthly customer count of 500 within three months	<ul style="list-style-type: none"> • Advertise in Business Journal • Increase social media outreach • Identify effective marketing opportunities 	<ul style="list-style-type: none"> • 400 customers in month 1 • 450 in month 2 • 500 in month 3 	September	<ul style="list-style-type: none"> • \$300 for ad • Flyers in college common areas and coffee shops • Website upgrade
Reduce rental costs by 10% by the end of this year	<ul style="list-style-type: none"> • Negotiate terms with landlord • Work with lawyer to draw up a contract 	2-year lease = 10% rent reduction	December 31	Legal fees? Find out how much



Sophia’s Action Plan

A portion of Sophia’s plan is provided on the bottom of page 16 in the Participant Guide.

In this example, Sophia listed two SMART goals:

1. She plans to increase the number of customers she serves each month to 500.
2. She plans to reduce her rental costs by 10 percent by the end of this year.



Instructor Notes

Presentation Guidelines

Slide 19

SMART Goals

- **Specific:** State the goal precisely.
- **Measurable:** Good measurements let you know when a goal is completed.
- **Attainable:** Resources needed to complete the goal are within your reach.
- **Relevant:** The goal is applicable to your business.
- **Time-based:** The goal has a completion date or time frame.



SMART Goals

A SMART goal is specific, measurable, attainable, relevant and time-based.

This is a SMART goal: Increase customers by 500 within three months.

This is a not-so-SMART goal: Get more customers. This is not specific or measurable, and there is no deadline or timeline.

Another not-so-SMART goal: Get 100 percent more customers. This might not be attainable or realistic.

Please turn to page 17 of your Participant Guide to locate the Action Plan Template. It is designed to help you make your goals SMART.

Facilitation Note

- * *If the Time Management module in the Money Smart series is scheduled, inform the participants that it will provide more information about how to write SMART goals.*

Instructor Notes

10 minutes

Slide 20

SMART Goals

- **Specific:** State the goal precisely.
- **Measurable:** Good measurements let you know when a goal is completed.
- **Attainable:** Resources needed to complete the goal are within your reach.
- **Relevant:** The goal is applicable to your business.
- **Time-based:** The goal has a completion date or time frame.



Presentation Guidelines

Summary, Post-Test, and Evaluation

Key Points

Facilitation Note

- * *Briefly review the key points on the slide, providing your own examples where possible.*

Sophia’s planning process took about two years to get through the four steps: from the “napkin” stage to the action planning stage. Along the way she asked questions that got more specific as her plans evolved.

Her process might differ from your own. There is more than one way to plan.

Stay focused on long-term goals. Do not miss the boat! Stay strategic, plan ahead, and you can plan for a healthy business.

As Sophia refined and improved her plans and asked for advice, she made solid relationships with stakeholders, such as friends and family. They loaned her the money to start her business because they could see her ideas come to life as practical plans.

If Sophia can do it, so can you!

Slide 21

Summary: Benefits and Risks

Benefits of Planning

- Know where you are—and where you are going
- Save time and money
- Ask great questions
- Develop stakeholders in the process
- Make logical decisions
- Measure progress on tangible goals
- Focus on finances

Risks of Not Planning

- Wasted time and money
- You do too much (and miss opportunities to delegate)
- Risk “burn out”
- Confuse or alienate investors
- Fail to do the math or to quantify “success” in practical business terms



Benefits and Risks

Here is a list of the benefits of planning and the risks of not planning.

Facilitation Note

- * *Briefly review the key points on the slide, providing examples where possible.*
- * *Ask the participants to provide some brief examples of benefits and risks.*

Instructor Notes

Presentation Guidelines

Slide 22

Summary

- What final questions do you have?
- What have you learned?
- How would you evaluate the training?



Summarize the class

- What final questions do you have?
- What have you learned?
- How would you evaluate the training?

For More Information

See page 18 of your Participant Guide for some planning tools and resources. These include a glossary of planning terms and a list of great resources that provide a variety of free or low-cost services to small business owners.

Facilitation Note

- * *If you added some Local Resources to the For More Information list on page 18 of the Participant Guide, point out some of these.*

Slide 23

Pre-Post Test and Evaluation

- If you have not already done so, assess what your knowledge on this topic was *before* you participated in this class.
- Assess your knowledge on this topic *after* taking this class.
- Complete the Evaluation Form. Your feedback is helpful!
- Return both forms to the instructor before you leave. Thank you!



Pre- and Post-Test and Evaluation

Please turn to the Pre- and Post-Test form in the back of your Participant Guide. If you have not already done so, complete the BEFORE Training column to assess what your knowledge was before you participated in this class. Then complete the AFTER Training column.

Take a few minutes to complete the Evaluation Form as well. Please return both forms to me before you leave.

Thank you for your feedback and comments.